

The Copper Market and Stocks

Review's Weekly Michigan Correspondence---Some Comment on Wolverine & Arizona Manner of Development---Bonanza Stocks Down

CALUMET, MICH., JUNE 7, 1905. Brokers report having had fair business for the past week though the pronounced dullness certainly continues and no great boost is anticipated for at least six weeks to come.

Circle stocks are about even all way round in point of public interest. The talk of the C. & P. parties cut more treasury shares continues but there is nothing new relative to the water question. Buyers are not plentiful but no one seems to make a sacrifice to get money for their shares.

North Butte is a great trading stock and has been strong and weak by turns for some weeks. The information on this property is of a very pleasing character and good things are anticipated from it during the weeks to come. It is said that the appearance of Lake Superior Mining men in the Butte district has had an effect in the district quite like that at Bisbee and claims have all taken on largely increased prices.

Captain James Houston is credited with having made a very favorable purchase of claims for the North Butte during the past few weeks. His shrewdness in matters of this kind is already well known.

There is little to say regarding C. & A. L. S. & P. P. & D. and Junction. Of course the progress at the Douglas

smelter is being watched by the stockholders.

Shareholders of the Wolverine and Arizona are inclined to ask why that company does not go down after the ore by deepening the shaft instead of rambling around in the upper crust of their ground, but the company of course has its reasons for that.

They know that it will cost them a large sum to handle the water flow that is already in the shaft and as this water is being gradually lessened by the pumps of nearby properties they deem it wise to go slow and if possible allow the water to disappear.

Meantime they are drifting toward a well known "fault" and anticipate that this will bring them into very favorable ground soon. They say as they now own the ground there is no special need for haste to explore the claims at greater depth as they would require to do were the claims held under bond.

Exceptional interest continues to center in mining developments here at home and this in turn promises to have its effect in bracing the Arizona stocks. New shafts are opening in all directions and mill capacities are being largely increased. Dwelling houses are much in demand and scores of new homes are being erected in most

of the locations. This dwelling house matter, by the way, is quite an important feature. Houses which suit well enough in the Warren district—that branch of the Land of Sunshine—would be but little protection from the "real weather" which we have in such great abundance in this storm swept island of Lake Superior. Houses here must be well built, so as to both keep in the heat and keep out the cold, for during a large part of the year we require to use the heating stoves and furnaces.

The summer weather has not yet arrived here and householders are complaining at the size of their season's fuel bill.

But all of this has little to do with mining and with the Bonanza Circle in particular, I am sorry there is so little to be said respecting the Circle these days. It seems to have gone out of fashion temporarily, but we all know that one of these days it will come back in again, good and plenty. The Circle has had a way of doing things in the stock market with an incisiveness that was exhilarating and it can be trusted to do its regular turn in proper style.

One thing that has happened lately with an Arizona mine was the demand from Globe and Phoenix at Calumet offices for goodly blocks of the Lake Superior & Arizona, a Mich-

come to the notice of Western investors and which must have struck them as a particularly nice looking property if one may judge by the strong demand for shares.

Calumet & Arizona has had a full share of influence in the lives and doings of our Lake Superior mining men and that influence now seems destined to show in still another way and quite prominently at that.

I refer to the recent changes which have taken place in the organization of the two leading banks of Calumet. These are the First National and the Merchants and Miners both tried and true institutions enjoying almost unlimited confidence locally and both doing large and constantly increasing business.

The announcement that still another banking institution was about to be organized by local capitalists who thought the expanding needs of the Copper Country in this line required just such an institution, set both of the old banks to work endeavoring to sidetrack such a proposition and for this purpose they offered to take the new people in by increasing the capital stock of either institution and giving the new shares to these parties.

It is now announced that the Merchants and Miners will secure them and numerous large accounts there with including a continuance of the

Bonanza Circle companies and certain other large mines here. This bank is having a new building constructed in the center of the town and is to have as manager the present cashier of the opposition bank. This cashier, Mr. W. B. Anderson, is looked upon as one of the most competent bankers in the Northwest and it is known that he has controlled the very large finances of the present institution in a veritable manner. The fact that the Merchants and Miners will handle the funds of the Circle properties materially strengthens its already strong position. Thus it is that Bisbee's mines are again making themselves felt in the financial features of the Copper Country and though already an important item, will doubtless be vastly greater within a year or two.

Our people would be glad to have further news respecting the Dragon, The Black Diamond, The Modern, The Hunchuca Consolidated and a few others out there if there is anything to offer.

Diamond drill work is much in evidence here now and many of the older companies seek by this means to locate in their holdings some of the several parallel lodes operated upon by some of their neighbors. These lodes persist for ten miles in some cases and perhaps for thirty. They

are perhaps a thousand or two thousand feet apart, dip in the same direction and all at an angle of about 40 degrees. In width they vary from six to forty feet and of course have good and bad spots.

AT THE SAGINAW.

At the Saginaw the water in the shaft has reached the 777 foot level, and is now standing at that point. The company has recently purchased a station pump and a sinking pump of the old Calumet & Cochise Co., as it is proposed to prospect on the 850 foot level. Each of these pumps have a capacity of 250 gallons per minute, and will be started as soon as the boiler is put in running order. The boilers arrived on the morning of the 9th, and will be put in place immediately.

They report progress at the rate of about twenty feet a week in the drift running to the old shaft on the 250 foot level, and are also running the crosscut on this level to the Dividend Fault. Ore is showing in these places.

The drill hole goes ahead at the rate of only about 6 feet a day on account of the open formation rendering it hard to hold water. They hope, however, to make progress of about 10 feet a day as soon as solid ground is reached.

Walker's Copper and Financial Letter---Metal Prices Firm---Government Figures of 1904 Production and Dividends---Heavy May Exports

Copper is steady at unchanged prices. Lake is 15 1/8 to 15 1/4 cents, and electrolytic is 15 to 15 1/8 cents per pound. Domestic consumers are taking a more active interest in the market and buying considerable copper for nearby delivery. The export demand continues active, and it is believed that when the reports of May shipments are in from the Pacific ports they will exceed those of any previous month of the present year. It is estimated that China has already taken over 100,000,000 pounds of our copper, and its demand continues.

The sinking of the Russian navy by the Japanese fleet is expected to encourage very heavy naval armament by all of the world's great powers. There may, indeed, be a vying among the nations, each endeavoring to establish a larger navy than any of the others. Be there little or much of such construction, what there is will call for a liberal consumption of copper. Should the outcome of the war be favorable to Japan, as is now practically certain, it will result in the opening up and development of a tremendous territory in eastern Asia—a

progressive movement in which the business interests of the United States will have an important share. In view of all this it would seem that we must look for an increasing rather than a decreasing foreign demand for copper after the war terminates.

The United States government has issued a bulletin on copper that contains some interesting and valuable facts. It states that the United States supplies about 60 per cent of the entire copper product of the world. The value of the output of copper for 1904, which is estimated at ninety-five million dollars, exceeded that of gold and is surpassed only by that of coal and iron. Of this enormous production about two-thirds was exported in 1904. Our imports are practically all from Mexico and Canada.

The profit of copper mining is shown by the fact that 17 copper companies declared dividends during 1904 that aggregated \$26,161,000. This is indeed a favorable showing when compared with the dividends of the 77 gold, silver and lead companies, including the smelting trust, which amounted in all to only \$19,106,000. It is estimated that the production

for 1904 exceeded that of 1903 by about 8.5 per cent amounting approximately to 753,000,000 pounds. This increase is due mainly to Arizona mines, but the tremendous development in Utah, notably at Bingham and in the Frisco district, indicate that this state will soon take a more prominent place as a copper producer.

When carefully studied, the figures show that the Lake Superior district can barely maintain its relative part of the average increase in the production of copper, that the same is true of the Montana mines, and, also, that the Arizona mines will show a still greater increase and are likely in the near future to take the lead in the world's production.

At the present time the Boston & Montana mines of Butte are the greatest producers in the world. After them in productiveness comes the Anaconda, Calumet & Hecla and Rio Tinto mines, named in the order of their importance.

Coppers continue to back and fill, looking better one day and not so well the next. There has been a tendency for some time past, however, toward slight improvement. But little buying has been necessary to start

fairly good rallies, and each successive start has brought out more prominently than the preceding ones the fact that there are very few coppers for sale anywhere around this level of prices. Though the market is very narrow, it is in an extremely strong position, and it is to be expected, therefore, that when conditions get just right for the final start the gain in prices will be rapid.

There are some coming events which may possibly have the effect of reviving confidence and creating a strong buying movement. One of these will be the annual meeting of the Amalgamated Copper company next Monday, at which a statement will be issued to stockholders. An-

other will be the Utah Consolidated dividend which may be raised to \$2 per share; and others will be the second quarterly dividend of the Copper Range Consolidated company, \$1 per share, and the Osceola dividend, which is expected to again be increased. There is also a possibility that the U. S. Mining dividend may be increased, and that Tamarack and United Copper stockholders may soon be remembered substantially.

There is a feeling among local brokers and traders that Lawson is still doing all that he can to discourage trading for the advance in the coppers. It is declared that certain brokers seem to be employed to sell small lots of copper stocks at low

prices whenever and wherever a temporary cessation of buying demand occurs. This has frightened some, and has unquestionably been a general depressing influence. The fact that he has been so thoroughly defeated in his attempt to sell Utah down however, is generally considered as most encouraging. Its importance being so fully and widely appreciated as to make good judges believe that should Utah have a strong advance it would be quickly followed by all the rest of the coppers. There can be little doubt that Utah is to sell higher in the very near future, and this makes for confidence that better conditions are coming in the copper share market.

Silver Production of United States in 1904

A preliminary estimate of the Director of the Mint places the production of silver in the United States during 1904 at \$33,003,000 fine ounces. Mr. Waldemar Lindgren of the United States Geological Survey has written a paper in which he shows the approximate distribution of this product among the different classes of ore deposits.

The different classes of ore to which the production can be traced are as follows: Silver derived from placers; silver derived from copper ores; and silver derived from lead ores.

It is well known that all placer gold contains a small amount of silver. The amount derived from this source is very slight and may be estimated at 64,000 ounces in 1904, of which by far the larger part is divided between Alaska and California, each of which probably contributed about 30,000 ounces. A large portion of this silver is never separated from the gold in which it occurs.

According to their age the quartz veins may be subdivided into three groups, the pre-Cambrian, Mesozoic, and Tertiary. The pre-Cambrian quartz veins of the Appalachian States yield principally gold, but also a small amount of silver—probably about 31,000 ounces. There are a number of veins in South Dakota and Wyoming which probably belong to this class, but the only one producing a notable amount is the celebrated Homestake mine, in the Black Hills, to which approximately 48,000 ounces should be credited.

A strongly developed belt of quartz veins of the late Mesozoic age extends through California, Oregon, Idaho, and Alaska. There are probably veins of the same age and character in Montana and Arizona. The total amount of silver derived from the Mesozoic belt of gold quartz veins in 1904 was about 800,000 ounces. Of this Alaska contributed about 167,000 ounces, California 150,000 ounces, and Oregon 130,000 ounces, while the other States mentioned supplied smaller amounts from this source.

The total amount of silver derived from the Tertiary gold-quartz veins and allied deposits in 1904 would be approximately 11,000,000 ounces. The

production was divided chiefly between Colorado, Nevada, and Montana. Arizona is believed to have produced about 1,500,000 ounces of silver from this class of deposits, but the statistics do not permit an accurate estimate of the amount. California added 200,000 ounces, derived from gold silver veins in the belt at the eastern base of the Sierra Nevada. Colorado contributed gold silver veins in the etaoin eta 2,900,000 ounces, principally derived from the San Juan country and the Gilpin district, but with scattered additions from many other counties. Idaho yielded 700,000 ounces, approximately, from the gold silver veins in Owyhee County, and a small amount from deposits in the central part of the State, notably in Custer County. Owing to the difficulty of classifying the veins in that State, the amount contributed by Montana is doubtful. At any rate it is not likely to exceed 1,000,000 ounces. Practically the whole of the silver production of Nevada, 4,500,000 ounces, belongs under this heading, as the amount of silver lead ores now mined in that State is very small indeed. Utah produced 360,000 ounces from dry ores. The siliceous ores of South Dakota contain considerably more silver than does the principal Cambrian deposit of the Homestake mine, in the same State. From this source 138,000 ounces were added.

It is a fact, which is perhaps scarcely realized, that one-third of the production of silver in the United States is derived as a by-product from the smelting of copper ores, the larger part of which do not contain enough silver to be classed as paying silver ores. It is estimated that 18,000,000 ounces of silver were obtained in 1904 from the copper ores of the United States. By far the largest amount was supplied by Montana, and nearly the whole of this was derived from the Butte copper ores, which occur as fissure veins traversing granitic rocks. The copper smelted in Arizona usually carries very little silver. From the ores of the United Verde and other smaller sources, however, a total of 1,200,000 ounces was obtained for Arizona. The amount of silver yielded by the copper deposits of California is estimated at 600,000 ounces. In a preliminary way Colo-

rado has been credited with 1,500,000 ounces derived from copper ores. Most of the amount, which is estimated to be 4,000,000 ounces, came from the smelting of copper ores from Bingham, Salt Lake County, but a part was obtained from the old mining district of Tintic, in Juab County. New Mexico and Washington added smaller amounts of copper ores, which, however, together did not yield more than 185,000 ounces.

Silver is usually most intimately connected with lead, so that it will not occasion surprise to learn that nearly one-half of the total output of silver is derived from lead ores. The three largest producers are Colorado, Utah, and Idaho, the first two yielding each about 8,000,000 ounces, while 6,000,000 ounces were derived from Idaho. In Colorado the greater part of the production still comes from Leadville. Much of the remaining amount is supplied by Aspen, the mines of which do not, however, produce nearly as much as in former years. Various counties in the San Juan region contribute the rest of Colorado's quota. The principal source of silver-lead ores in Utah is the Park City district, in Summit County. A smaller part of the lead ores is derived from the Tintic veins, in Juab County. The silver-lead ores in Idaho are derived from two widely distant regions. The first and more important is the Coeur d'Alene district, the ores of which carry galena and zinc with a relatively small amount of silver. A somewhat different class of deposits, which consist of veins containing galena and bornite, or gray copper, and which in Blaine County, in the central part of Idaho, a region usually known as the Wood River district. The production of silver from lead-silver ores in Montana amounted to 450,000 ounces, Arizona, California, Washington, and New Mexico produces small amounts of ores of this kind, but in no case does the production exceed 200,000 ounces. The argentiferous lead ores are believed to have contributed a total of 23,000,000 ounces of silver during the past year.

The market price of silver has gradually increased during the year from 57 cents an ounce in January to 61 cents in December.

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